

**EXHIBIT 7**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----)  
IN RE: ) Case No. 12-12020  
) (MG)  
RESIDENTIAL CAPITAL, )  
LLC, et al., ) Chapter 11  
Debtors. ) Administered Jointly  
-----)

July 17, 2013

9:08 a.m.

DEPOSITION of ROBERT MAJOR,  
30(b)(6) witness on behalf of Bank of New York  
Mellon, pursuant to Notice, held at the offices  
of Wilkie Farr & Gallagher, LLP, 787 Seventh  
Avenue, New York, New York, before Eileen  
Mulvenna, CSR/RMR/CRR, Certified Shorthand  
Reporter, Registered Merit Reporter, Certified  
Realtime Reporter and Notary Public of the State  
of New York.

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2 A. I don't believe so.

3 Q. If you look at the second page of  
4 this proposed order, Item C states, "The  
5 settlement agreement and the transactions  
6 contemplated thereby, including the releases  
7 given therein, are in the best interests of the  
8 debtors, their estates, their creditors, the  
9 investors in each trust, each such trust, the  
10 trustees and all other parties in interest."

11 Do you see that?

12 A. Yes.

13 Q. Do you believe that the settlement  
14 agreement and the transactions contemplated  
15 thereby, including about the releases therein,  
16 are in the best interests of the investors in  
17 each trust?

18 A. Yes.

19 Q. And what do you base that conclusion  
20 on?

21 A. I base that conclusion on the  
22 recommendation of our financial adviser, the  
23 recommendation of our legal advisers, and the  
24 analysis of our financial adviser that the  
25 settlement was reasonable.

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2 Q. Anything else?

3 A. No.

4 Q. So let's take them one at a time.

5 Your conclusion that the settlement  
6 agreement and the releases are in the best  
7 interests of the investors in each trust are  
8 based first on recommendations of your financial  
9 advisers.

10 To whom are you referring?

11 A. Duff & Phelps.

12 Q. And when did they provide you the  
13 recommendation that you identified?

14 A. On May 15, 2013.

15 Q. And was that in person?

16 A. It was in a report delivered that  
17 date.

18 Q. And was it delivered to you?

19 A. Yes.

20 Q. Was it a draft report or a final  
21 report?

22 A. A final report.

23 Q. Did you also see a draft report?

24 A. Yes.

25 Q. And at the time that the final

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2 A. No.

3 Q. February of this year?

4 A. No. I think the first one I  
5 attended was in April.

6 Q. We'll come back to that.

7 So when you stated that you relied  
8 upon the recommendation of your investment  
9 advisers, you were referring to the  
10 recommendation that was made by Duff & Phelps  
11 orally to you on May 13 and the written report  
12 that they provided to you on May 15th; is that  
13 correct?

14 A. That is correct.

15 Q. You also said that you based your  
16 conclusion that the settlement was in the best  
17 interests of the investors based on legal advice  
18 that you received; is that correct?

19 MR. ESPANA: Objection;  
20 mischaracterizes the witness' testimony.

21 BY MR. BAI0:

22 Q. Is that accurate or not?

23 A. Yes.

24 Q. And who provided that legal advice?

25 A. My outside counsel.

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2 Q. When did they provide it?

3 A. On or around May 15th.

4 Q. And what did they say?

5 MR. ESPANA: Objection.

6 I'm instructing the witness not to  
7 disclose privileged information.

8 BY MR. BAIO:

9 Q. But you did rely on whatever it was  
10 that they told you in reaching your conclusion  
11 that the settlement is in the best interests of  
12 the investors; is that correct?

13 A. Yes.

14 Q. You then made reference again to  
15 financial advisers. Is there a third component  
16 of what you relied on in reaching the conclusion  
17 that the settlement was in the best interests of  
18 the investors?

19 A. I don't know what you mean by "third  
20 component."

21 MR. BAIO: How do I go back?

22 (Discussion off the record.)

23 BY MR. BAIO:

24 Q. When I asked you what you based that  
25 conclusion on, and I'm on line 12 of page 17,

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2 THE WITNESS: I don't believe the  
3 investors were -- which investors are you  
4 referring to?

5 BY MR. BAIO:

6 Q. The investors in the trusts.

7 A. That are parties to the settlement  
8 agreement or just in general?

9 Q. No, in general.

10 A. I don't believe they gave any  
11 releases.

12 Q. In D in this proposed order, there  
13 is the following language: "The trustees acted  
14 reasonably, in good faith and in the best  
15 interests of the investors in each trust and each  
16 such trust in agreeing to the settlement  
17 agreement."

18 Do you see that?

19 A. I do.

20 Q. Do you believe that is accurate?

21 A. Yes.

22 Q. What do you base that conclusion on?

23 A. The same factors that I've stated  
24 before, the advice of our professionals and the  
25 fact that the trustees did not benefit in their

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2 individual -- or individually -- individual  
3 entities of the trusts did not benefit in this  
4 settlement at all; it was just in our capacities  
5 as trustees.

6 Q. But you did benefit in your capacity  
7 as trustees; correct?

8 A. Yes.

9 Q. Including securing releases?

10 A. Yes.

11 MR. BAIIO: I'm going to ask the  
12 reporter to mark as the next exhibit a  
13 multipage document with the Bates  
14 Nos. BNYM-MS079 through 088.

15 (Major Exhibit 4, Bates Nos. BNYM-MS  
16 0000079 through 88, E-mail Chain with  
17 attachments, marked for identification.)

18 BY MR. BAIIO:

19 Q. Have you seen Exhibit 4 before?

20 A. Yes.

21 Q. What is it?

22 A. It is an e-mail from my outside  
23 counsel to me with the proposed FGIC analysis --  
24 proposed FGIC settlement analysis of Duff &  
25 Phelps attached.



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2 Q. So at a 10 percent discount rate  
3 under the base scenario, the recoveries would be  
4 30 percent?

5 A. Yes.

6 Q. And at 15 percent discount rate, it  
7 would be 28.5 percent?

8 A. Yes.

9 Q. And at a 20 percent discount rate,  
10 it would be 27 percent; is that what you  
11 understand this to mean?

12 A. Yes.

13 Q. The numbers that are under the  
14 stress scenario are what the percentage  
15 recoveries are estimated to be under those  
16 assumptions, that is the stress scenario  
17 assumptions; correct?

18 A. Correct.

19 Q. Did you ask Duff & Phelps what they  
20 thought the appropriate discount rate should be?

21 A. No.

22 Q. Did you ask them to run any numbers  
23 as to what the present value of those future  
24 income streams plus the initial CPP would be at a  
25 discount rate lower than 10 percent?

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2 A. No.

3 Q. Did they tell you that a discount  
4 rate lower than 10 percent would be  
5 inappropriate?

6 A. No.

7 Q. Did you believe that a discount rate  
8 of less than 10 percent would be inappropriate?

9 A. I didn't consider that.

10 Q. You didn't consider the  
11 appropriateness of the discount rate yourself?

12 A. No.

13 Q. And you didn't ask anyone what is  
14 the appropriate discount rate?

15 A. No.

16 Q. Did you ask anyone are these  
17 discount rates too high?

18 A. No.

19 Q. Did Duff & Phelps say anything about  
20 the propriety of using these discount rates?

21 A. Not to my knowledge.

22 Q. And you didn't ask?

23 A. No.

24 Q. And no one asked, as far as you  
25 know?

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2 A. As far as I know.

3 Q. Did you ask Duff & Phelps why  
4 there's a base-case scenario and a stress  
5 scenario?

6 A. No.

7 Q. Did you ever learn why those two  
8 scenarios were presented to you?

9 A. Did I learn why?

10 Q. Yes.

11 A. I drew my own conclusions as to  
12 why -- these were part of disclosures made in  
13 support of the FGIC plan, and I assumed that they  
14 were -- made to help the creditors of FGIC  
15 evaluate the proposal of -- you know, at the time  
16 the FGIC plan was being considered.

17 Q. And did you use those scenarios to  
18 evaluate the plan at the time it was being  
19 considered?

20 A. Did I consider --

21 Q. As a representative of a trustee,  
22 did you consider those numbers in any respect to  
23 the scenarios?

24 MR. ESPANA: I want to raise an  
25 objection; outside the scope of the

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2 proposed in late March, so far as you know;  
3 correct?

4 A. Correct.

5 Q. And was there any proposal prior to  
6 that?

7 MR. ESPANA: Objection.

8 I'm instructing him not to answer  
9 based on the mediation privilege.

10 BY MR. BAIO:

11 Q. One way or the other, I'm not asking  
12 what it was, was there a prior proposal?

13 MR. ESPANA: I'm instructing him not  
14 to answer.

15 BY MR. BAIO:

16 Q. Do you understand that there were  
17 actually negotiations involving the trustees or  
18 their representatives prior to March -- prior to  
19 late March of 2013?

20 MR. ESPANA: Objection to form;  
21 vague.

22 BY MR. BAIO:

23 Q. In the mediation.

24 A. Yes.

25 Q. They were involved in the

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parties were very complex. And resolution was very important in the context of the mediation and also vis-a-vis between FGIC and the trustees.

BY MR. BAIIO:

Q. And do you intend to testify about the hard-fought negotiations at the hearing?

A. If I'm called to testify, yes.

Q. Well, give me examples of some of the hard-fought exchanges that you engaged in that benefited the investors.

MR. ESPANA: I'm instructing the witness not to answer. You can answer generally in describing why you thought there were hard-fought negotiations, but don't go into the substance.

MR. BAIIO: Just so I'm clear, I'm asking about the substance because it's the only way that I can test whether it was hard fought.

MR. ESPANA: Then I'm instructing you not to answer.

MR. BAIIO: Let's take a few minutes.

(Recess from the record.)

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2 the findings that the --

3 A. I think you mean C and D.

4 Q. I mean C and D. Thank you.

5 -- that the trustees acted in good  
6 faith and invested for some investors, in  
7 paragraph D and, in paragraph C, that the  
8 settlement agreement was in the best interests  
9 of, among other parties, including investors.

10 You're familiar with those  
11 paragraphs; is that correct?

12 A. Yes.

13 Q. You testified you had the right to  
14 enter into the settlement agreement just earlier.

15 If you believe you were entitled to  
16 enter into the ResCap settlement agreement, why  
17 do you need these findings in C and D, from your  
18 perspective?

19 MR. ESPANA: I'm just going to  
20 caution you, if your answer entails  
21 communications that you had with counsel,  
22 then I'm instructing you not to answer.

23 THE WITNESS: It does.

24 MR. ESPANA: I instruct you not to  
25 answer.